

SEM Committee Meeting
Minutes Meeting No. 134

Location: Ballymascanlon Hotel, Dundalk

Date: Thursday, 27th September 2018

Time: 09.30 – 14.30

Member attendees:

Utility Regulator (UR): Bill Emery (SEM Committee Chair), Jenny Pyper, Jon Carlton
Commission for Regulation of Utilities (CRU): Paul McGowan, Aoife MacEvilly, Garrett Blaney

Independent members: Odd Håkon Hoelsæter, Professor David Newbery (Deputy)

In attendance:

For all Items: Jo Aston (UR), John Melvin (CRU), Alan Rainey (Economic Adviser to UR),
For item 3: Colin Broomfield (UR), Karen Shiels (UR), Tom Quinn (CRU), Andrew Chattrabhuti (ESP consulting)

For item 4: Tony Doherty (UR), Helen Mounsey (ESP Consulting)

For item 5: Kevin Hagan (CRU)

For item 6: Brian Mulhern (UR), Kevin Hagan (CRU)

For item 7: Helen Mounsey (ESP consulting), Aidan Short (Neueda)

For item 12: Mark Foley (EIRGRID), Rodney Doyle (SEMO), Robin McCormick (SONI)

For item 13: Michael Manley (DCCA), Noel Lavery (DfE), Chris Stewart (DfE)

Apologies: None

Minutes: Barbara Stevenson (SEMC Secretariat)

Declarations of interest: No declarations were made.

1. Approval and adoption of the agenda

The agenda was approved and adopted.

2. Review and approval of minutes from meeting 133 on 30 August 2018

The minutes from SEM Committee 133 were approved.

3. CRM T-4 parameters

Tom Quinn presented the proposals for the CRM T-4 parameters CY2022/23 decision. He provided an overview of the CRM process as well notable dates and issues consulted on. The Committee discussed key issues including constraints, multi-year pay-as-bid ROs, LoLE

standard and reserves. The Committee also considered proposals in respect of auction volume, demand curve, bid limits, administered scarcity price and auction format.

The Committee approved the CRM T-4 CY2022/23 Parameters decision paper as presented.

Karen Shiels presented proposals on the CRM T-4 CY2022/23 Best New Entrant decision paper including previous assessments, technology choice, cost analysis, WACC and net CONE. The Committee discussed the proposals including the variations between the consultation and decision papers.

The Committee approved the CRM T-4 CY2022/23 Best New Entrant decision paper.

Colin Broomfield provided detail of T-4 Initial Auction Information Pack to reflect the parameters approved by the Committee, capacity requirement, de-rating factors and locational capacity constraint areas. An update on the Generation Capacity Statement (GCS) was also provided and the Committee noted the need to review the GCS approval process.

The Committee approved the CRM T-4 CY2022/23 Initial Auction Information Pack.

4. TSO ISEM implementation costs update

Tony Doherty updated the Committee on the ISEM TSO implementation costs including the background, recovery methods, cost estimates and Regulatory Authority scrutiny of the costs. The Committee sought further detail on ongoing costs and the need for a full post project appraisal to include costs to come to the Committee.

5. DSU information paper

The Committee considered a draft information note on Demand Side Unit bidding as presented by Kevin Hagan. The Committee discussed the definition of a demand side unit and environmental impacts.

The Committee approved publication of the information note subject to amendments with final approval delegated to the oversight committee.

6. MMU update

Brian Mulhern provided an update on the market monitoring unit including co-ordinated approach between the RAs, liaison with the TSOs and communication processes. He presented the internal investigation and enforcement process manual as well as contingency arrangements for a catastrophic event.

The Committee sought further clarification on communications with market participants, reporting and congratulated the team on the thorough preparations made for monitoring the new market arrangements.

7. ISEM/DS3 project updates

Helen Mounsey updated the Committee on:

- Feedback from market participants in advance of go-live
- Discussions with the TSO regarding closedown of SEM systems
- Post-project evaluation

The Committee impressed the importance of the inclusion of the DS3 programme into the ongoing management of the ISEM going forward and the need for it to be included as part of the work of the Oversight Committee.

Aidan Short outlined to the Committee the wholesale energy milestones to 2020, business as usual activities, project list, overview of resources and governance structure.

The DS3 update was noted.

8. Legal update

John Melvin and Jenny Pyper updated the Committee on ongoing legal matters being dealt with by the Regulatory Authorities.

9. Updates

a. SEMC communications strategy update

Barbara Stevenson updated the Committee on recent communication activities and arrangements for ISEM go-live on 1 October 2018.

b. CRU/Utility Regulator/Independent members

Paul McGowan noted interconnector applications, the Citizens Energy Forum and strategic planning process.

Jenny Pyper highlighted the UR corporate strategy process.

David Newbery led a discussion on Brexit. The Committee noted the need for a further, more substantive discussion with analysis to be brought to the Committee by the RAs.

10. Review of actions from meeting 133 on 30th August 2018

The action log was considered.

11. SEM correspondence

Relevant correspondence was noted.

12. TSO contingency plans

Rodney Doyle updated the Committee on the ISEM cut-over process including an overview of resources. He outlined the provision for post go-live support and internal processes.

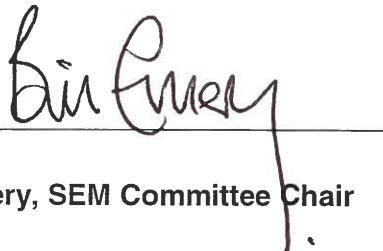
13. Update with the Departments

The Committee updated the Department for the Economy and the Department of Communications, Climate Action and Environment on the ISEM in the advance of go-live. The Departments thanked the Committee and RAs for all the work involved in delivering the new wholesale market and welcomed go-live on 1 October.

14. AOB

None

Signed: _____



Bill Emery, SEM Committee Chair